

**WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/29/07

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
We Care Ministries of Natchitoches' Outreach Program
Natchitoches, Louisiana 71457

We have audited the accompanying statement of financial position of the We Care Ministries of Natchitoches' Outreach Program, (a non-profit organization) as of December 31, 2006, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Outreach Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the We Care Ministries of Natchitoches' Outreach Program, as of December 31, 2006, and the changes in its net assets, cash flows, and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 27, 2007, on our consideration of the We Care Ministries of Natchitoches' Outreach Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The financial information for the year ended December 31, 2005, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated June 19, 2006, on the basic financial statements of the We Care Ministries of Natchitoches' Outreach Program.

Hines, Jackson & Hines
Natchitoches, Louisiana
June 27, 2007

EXHIBIT A

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
Cash	\$ 196,164	\$ 91,746
Receivables		
Medicaid	123,695	200,787
State grants	<u>2,116</u>	<u>3,085</u>
Total Assets	<u>\$ 321,975</u>	<u>\$ 295,618</u>
 LIABILITIES		
Accounts payable	\$ 1,725	\$ 10,954
Accrued liabilities	<u>130,103</u>	<u>111,410</u>
Total Liabilities	131,828	122,364
 NET ASSETS		
Unrestricted	<u>190,147</u>	<u>173,254</u>
Total Net Assets	<u>190,147</u>	<u>173,254</u>
Total Liabilities and Net Assets	<u>\$ 321,975</u>	<u>\$ 295,618</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT B

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
UNRESTRICTED NET ASSETS		
Support		
Medicaid	\$ 2,031,052	\$ 1,899,517
State grants	13,015	15,582
Other	<u>305</u>	<u>15,331</u>
Total Revenues, Gains and Other Support	2,044,372	1,930,430
EXPENSES		
Program Services	1,325,287	1,213,533
Management and General	511,688	474,022
Transfers to We Care Ministries	<u>190,504</u>	<u>219,924</u>
Total Expenses	<u>2,027,479</u>	<u>1,907,479</u>
Increase/(Decrease) in Net Assets	16,893	22,951
NET ASSETS, Beginning of year	<u>173,254</u>	<u>150,303</u>
NET ASSETS, End of year	<u>\$ 190,147</u>	<u>\$ 173,254</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT C

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 16,893	\$ 22,951
Adjustments to reconcile changes in net assets to net cash from operating activities		
(Increase)/decrease in operating assets		
Receivables		
Medicaid	77,092	(80,810)
State grants	969	(295)
Increase/(decrease) in operating liabilities		
Accounts payable	(9,229)	6,076
Accrued liabilities	<u>18,693</u>	<u>31,676</u>
Net Cash From Operating Activities	<u>104,418</u>	<u>(20,402)</u>
Net Increase/(Decrease) in Cash	104,418	(20,402)
CASH, Beginning of year	<u>91,746</u>	<u>112,148</u>
CASH, End of year	<u>\$ 196,164</u>	<u>\$ 91,746</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT D

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>			<u>2005</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Total</u>
COMPENSATION AND RELATED EXPENSES				
Payroll taxes	\$ 91,558	\$ 27,588	\$ 119,146	\$ 96,305
Salaries	1,196,835	360,632	1,557,467	1,432,461
Workman's compensation insurance	27,359	8,244	35,603	39,018
Total Compensation And Related Expenses	1,315,752	396,464	1,712,216	1,567,784
OTHER EXPENSES				
Accounting	0	7,500	7,500	7,500
Advertising	0	4,170	4,170	0
Bank charges	0	178	178	172
Building rental	0	3,480	3,480	3,155
Client expense	2,439	0	2,439	3,329
Contract labor	0	0	0	840
Contributions	0	81	81	475
Dues and subscriptions	0	262	262	422
Equipment rental	0	2,925	2,925	2,722
Fuel & oil	0	21,810	21,810	25,110
Gifts	0	10,019	10,019	5,973
Insurance	0	18,129	18,129	20,960
License and permits	0	1,100	1,100	1,940
Office expenses	0	13,821	13,821	13,480
Professional services	6,000	5,420	11,420	8,454
Repairs and maintenance	682	263	945	3,873
Supplies	414	7,960	8,374	7,058
Telephone	0	9,542	9,542	8,765
Travel	0	5,799	5,799	0
Utilities	0	2,765	2,765	5,543
Total Other Expenses	9,535	115,224	124,759	119,771
TOTAL FUNCTIONAL EXPENSES	<u>\$ 1,325,287</u>	<u>\$ 511,688</u>	<u>\$ 1,836,975</u>	<u>\$ 1,687,555</u>

The notes to the financial statements are an integral part of this statement.

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The We Care Ministries of Natchitoches is a not-for-profit organization incorporated under the laws of the State of Louisiana in 1992. The We Care Ministries began operating an Outreach Program on October 21, 1998, whose purpose is to promote the general welfare of the elderly, mentally retarded and handicapped through assisted independent living. The Outreach Program operates primarily in Central Louisiana with offices in Natchitoches and Alexandria. It is operated by a board which consist of up to six directors. The directors receive no compensation for their service.

B. CASH

Consistent with FASB 95, Statement of Cash Flows, the We Care Ministries of Natchitoches' Outreach Program defines cash and cash equivalents as not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

C. NET ASSETS

The We Care Ministries of Natchitoches' Outreach Program has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Outreach Program is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the We Care Ministries of Natchitoches' Outreach Program that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the calendar year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

E. CONTRIBUTIONS

The We Care Ministries of Natchitoches' Outreach Program has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. INCOME TAXES

The We Care Ministries' of Natchitoches' Outreach Program is exempt from federal income taxes section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

NOTE 2 CASH

At December 31, 2006, We Care Ministries of Natchitoches' Outreach Program had cash totaling \$196,164 as follows:

Demand deposit accounts	\$ 196,164
Total	<u>\$ 196,164</u>

At December 31, 2006, the Outreach Program had \$200,410 in bank deposits. These deposits were secured from risk by \$100,000 of federal deposit insurance. \$100,410 in bank deposits were unsecured at December 31, 2006.

NOTE 3 LEASE OBLIGATIONS

The We Care Ministries of Natchitoches' Outreach Program was not obligated under any noncancellable capital or operating leases at December 31, 2006.

NOTE 4 EMPLOYEE RETIREMENT SYSTEM

All employees of the We Care Ministries of Natchitoches' Outreach Program are covered by the Social Security System. All employees contribute 6.2% of their total salary to the System, while the Outreach Program contributes a like amount. For the year ending December 31, 2006, total contributions to the System were \$193,126, of which the Outreach Program contributed \$96,563 and employees contributed \$96,563. Total payroll for the year ended December 31, 2006 was \$1,557,467 and total payroll covered by the System was \$1,557,467. Any future deficits in this System will be financed by the United States Government. The Outreach Program has no further liability to the System for the year ended December 31, 2006.

NOTE 5 LITIGATION

The We Care Ministries of Natchitoches' Outreach Program was not involved in any litigation at December 31, 2006.

NOTE 6 RISK MANAGEMENT

The We Care Ministries of Natchitoches' Outreach Program is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Outreach Program maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Outreach Program.

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2006

NOTE 7 CLAIMS AND JUDGEMENTS

The We Care Ministries of Natchitoches' Outreach Program participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Outreach Program may be required to reimburse the grantor government. Management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on the Outreach Program's overall financial position.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors

We Care Ministries of Natchitoches' Outreach Program
Natchitoches, Louisiana 71457

We have audited the financial statements of the We Care Ministries of Natchitoches' Outreach Program, as of and for the year ended December 31, 2006, and have issued our report thereon dated June 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the We Care Ministries of Natchitoches' Outreach Program's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the We Care Ministries of Natchitoches' Outreach Program's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the We Care Ministries of Natchitoches' Outreach Program's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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This report is intended solely for the information and use of the We Care Ministries of Natchitoches' Outreach Program, management and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana

June 27, 2007

SCHEDULE 1

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
DECEMBER 31, 2006

<u>Ref. No.</u>	<u>Fiscal Year</u>	<u>Description of Finding</u>	<u>Corrective</u>	<u>Planned Corrective</u>
	<u>Finding</u>		<u>Action Taken</u>	<u>Action/Partial</u>
<u>Initially</u>	<u>Occurred</u>		<u>(Yes, No,</u>	<u>Corrective</u>
			<u>Partially)</u>	<u>Action Taken</u>

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 2

WE CARE MINISTRIES OF NATCHITOCHES'
OUTREACH PROGRAM
NATCHITOCHES, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
DECEMBER 31, 2006

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.